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Column One By David Courtney

65 Million For Development

BY MOSHE BRILLIANT

An IL 65m. budget for building, agricultural, industrial and communications development projects, designed to narrow the gaps between immigration and absorption on the one hand and production and consumption on the other, appeared certain of getting Knesset approval last night.

Special Session On Education

The Knesset may be reconvened for a special session in a fortnight to discuss the Education budget.

Oil Price Too High For Re-Export

Israel will have to pay in dollars for the crude oil which will be supplied to Haifa Refineries from Central America, the Minister of Finance said last night.

The revenue estimates were approved by an overwhelming majority and the expenditure appropriations were being approved systematically when the House adjourned at midnight. The estimates are expected to be covered by Government bonds backed by State real estate holdings, the balance of the American Export-Import Bank loan, new local loans and collections on account of earlier loans out of Export-Import Bank funds. The estimates include a housing scheme, including 45,000 units for immigrants, hospitals, schools, road building, cultural and religious institutions and hotels. New features of the IL 11,500,000 agricultural development scheme include the development of pastures for grazing, the raising of sheep and draught animals, cattle breeding, refrigeration, dehydration, fishing, olive and carob planting.

Basic Industries

A novel feature of the IL 8,700,000 industrial development scheme is the appropriation for Government loans and investment in basic industries including a chemical fertilizer plant, the Tel Aviv-Hadera railway line, the Haifa Port, telephone and telegraph services and Lydda Airport will also be improved out of this budget.

The new local loans which the Government proposes are an IL 12m. "Popular Loan," approval for which will be sought today in the Knesset, and another loan to be floated under financial institutions. Finance Minister Eliezer Kaplan also disclosed that the Government was considering further loans here and abroad before the end of the year if conditions permit.

There was a comparatively brief but hard battle on estimated revenue on the floor of the House. This determined the scope of the budget. Dr. Moshe Shohat (Mapam) proposed enlarging the budget to IL 90m. by imposing an IL 15m. compulsory loan to sponge-up idle capital in this country and another loan designed to raise IL 10m. out of hoarded gold in this country and secret bank accounts of Israelis abroad.

The Mapam leader complained that the Government proposals were not enough to narrow the gap between production and consumption if immigration was to continue.

Not Enough

Mr. Israel Rokach, (General Zionists) and Mr. Arish Ben Eliezer (Hagana) advocated that IL 5m. could be raised by selling property to private buyers. Mr. Ben Eliezer had in mind absentee Arab property in urban areas, but Mr. Rokach said that was not possible.

Mr. Kaplan also assured the House that everything possible would be done to complete the Sodom-Beer Sheva road this year.

M.E.'s First Grain Elevator To Be Built at Haifa Port

The rights for the erection in Haifa port of the Middle East's first grain elevator were granted yesterday morning at the Prime Minister's Office in Jerusalem.

The 50-metre high silo, which will be the tallest structure in Israel, will make possible substantial hard currency savings involved in the purchase and storage of grain, a representative of the group interested in the project told The Jerusalem Post.

The agreement, assigning these rights to Dr. Reuven R. Hecht, who is to set up a company, was signed for the Government by Mr. D. Remez, the Minister of Communications, and Mr. E. Kaplan, the Minister of Finance.

The use of a grain elevator will permit the import of bulk grains rather than in sacks, which is the more costly method used at present. The Haifa Port distribution silo will have a 150,000-ton per hour handling capacity and a 120,000-ton storage capacity, which will later be increased according to requirements.

Truman Signs Security Bill

WASHINGTON, Wednesday (AP). — President Truman signed into law today a bill giving him authority to take immediate steps to safeguard U.S. ports against a possible sneak atomic attack. The bill gives the President power to:

1. Control the anchorage and movement of foreign flag vessels in American waters and;
2. Take protective measures for U.S. harbours, ports and other waterfront facilities.

He must first determine that the security of the U.S. is threatened by war or threat of war.

Clothing Shops Remain Closed

TEL AVIV, Wednesday. — Clothing and footwear stores will remain closed until a provisional agreement is reached by the Government and the special advisory committee established yesterday.

The committee comprises Knesset members and representatives of manufacturers, merchants, artisans, cooperatives, and women's organizations. This decision was announced at the conclusion of the general conference of the General Merchants' Association at the Ohel Shem hall here tonight.

Merchants and shopkeepers filled the large hall, among them 200 delegates from 23 towns, representing a bout 20,000 merchants. Greetings from the Prime Minister, Mr. Ben Gurion, and Cabinet Ministers were read at the opening of the conference, expressing regret at being unable to attend.

P.C.C. TO LEAVE FOR EGYPT TALKS

The members of the Palestine Conciliation Commission are due to leave Jerusalem by air today for Alexandria where they are to conduct talks with the Foreign Minister, Mr. Eliezer Kaplan, and the Egyptian Minister of Foreign Affairs, Mr. Mohamed Salah el-Din. They are expected to return on Saturday.

RILEY RETURNS

Major-General William Riley, Chief of Staff of the U.N. Truce Supervision Organization, arrived in Jerusalem by air last night from Lake Success. He was accompanied by Mrs. Riley and their son and daughter. The party landed at Kallit Airport and crossed the lines at Mandelbaum Gate. They are staying at the King David Hotel.

Immigrants Lose In Sterling Drop

Immigrants from Poland lost one-third of the sums which they had transferred to the Government in the last week, as a result of the Sterling devaluation, Mr. Eliezer Kaplan, the Minister of Finance, told the Knesset in reply to a question of Mr. Hannan Rubin (Mapam). The practice was discontinued after the devaluation, Mr. Kaplan said.

Hushi to Head Black Market Inquiry Group

Mr. Aba Hushi has been elected Chairman of the Knesset sub-committee recently established to investigate the black market.

Cabinet Session

The weekly meeting of the Cabinet has been postponed until Sunday because of the extraordinary Knesset sessions before the recess.

West Decides Not To Force Malik To Quit Chair

LAKE SUCCESS, Wednesday. — The U.S. and Britain were reported today to have decided against trying to force Russia's Jakob Malik out of the Security Council presidency for August.

The Council has been engaged in procedural wrangles since Malik became its President. Warren Austin, U.S. delegate, charged Mr. Malik yesterday with delaying proceedings. In informal discussions today several delegates discussed ways out of the impasse, one suggestion being a change in Council rules allowing the suspension of Malik as President. Informants said Malik is definitely opposed to this procedure and is almost reconciled to hearing Malik talk all month if he chooses to do so.

Another source said the Americans would not go so far as to move to suspend Mr. Malik at this time. But some American quarters are said to feel that the U.S. must start matching him in his verbal battle.

Constitutional Crisis

The Deputy American Representative on the Council, Mr. Ernest Gross, told correspondents the Council had reached a constitutional crisis. He said there were three main ways of overcoming what appeared to be a Soviet attempt to deadlock the Council over procedure. These were:

- (1) Amend the Council's rules of procedure so that the Soviet Union would not automatically become President of the Security Council by monthly rotation.
- (2) Calling of a special session of the Assembly which would override the Security Council.
- (3) Delay or postpone further meetings of the Council during August when Mr. Jacob Malik, Soviet representative, is President.

US Can Stop Formosa Attack-Harriman

WASHINGTON, Wednesday (UP). — Mr. Averell Harriman, President Truman's special assistant on foreign affairs, said today that as a result of his trip to the Far East he is confident General MacArthur could block any Chinese Communist invasion of Formosa.

Mr. Harriman, who had two conversations with General MacArthur in Tokyo, told reporters at a news conference that he was very optimistic about the ability of the U.N. forces to turn back the North Korean invasion as well as to block any Chinese invasion of Formosa. He declined, however, to document his belief.

USSR Boycotts UN

LAKE SUCCESS, Wednesday. — The Soviet Union today continued to boycott the U.N. commission for conventional armaments which met to approve its working committee's progress report and to send it to the Security Council.

Council Hears Plea to Rearm Germany

STRASBOURG, Wednesday (Reuters). — Eighteen German representatives at expressions of protest today as speakers urged the Consultative Assembly of the Council of Europe to call for the rearmament of Western Germany.

On the eve of what was expected to be a major speech by his chief, Mr. Winston Churchill, British Conservative Robert Boothby put forward an outright demand that Germany should be brought into the Western Union defence. Mr. Churchill is expected to support this proposal tomorrow.

"If Germany comes in, then she will have to make a full contribution to our joint defence on the same terms as everyone else."

Mr. Boothby's lead was taken up by P. J. S. Herrero, Dutch Catholic People's Party representative, who declared that Europe must have a European army in which Germany would be called upon to make her contribution.

French Refrain

But the only French speaker in today's debate, former premier Georges Bidault, made no reference to Germany in his speech, which was devoted to defence.

North Prepares Retreat From Chinju But Advances on Pohang

Naktong Bridgehead Being Eaten Away By U.N. Force In Northern Push

WITH MACARTHUR'S HQ. FOR KOREA, Thursday, (Reuters). — Northern troops were pulling back on a major front today for the first time in this 47-day-old war.

North and south along the "west wall" of General Douglas MacArthur's defence line, the Communist bridgehead over the Naktong and their front aimed at the United Nations' vital support port of Pusan, were being eaten away by American and South Korean counter-offensives.

A communique from General MacArthur's HQ. in Korea said reconnaissance confirmed earlier reports from Korean civilians that the Communists holding Chinju, 88 kms. west of Pusan on the south coast, were preparing to evacuate as the prongs of an American offensive strove an average of five kms. forward from the east.

Cracks and Creaks

Along the upper reaches of the Naktong river north of sorely threatened Taegu, Northern bridgeheads on the eastern bank have been either contained or hurled back.

But the north face of the United Nations front creaked and cracked under stunning Communist blows.

One invading force estimated at brigade strength, raced through mountains and valleys near the east coast, to within 10 kms. of the important beachhead at Pohang. This surprise blow through an undefended gap in the defence line bypassed embattled Yondok and breached the front before South Korea came up to meet it.

Alex Valentino, Reuter Communique said.

On this front it has been officially confirmed that a Northern bridgehead of two battalions supported by tanks was eliminated just south of Waegwan.

"Fighting continued along the entire river front, with sporadic attempts by Communists to breach the river line," the midnight Communique said.

Missing Atom Data Sought

LONDON, Wednesday (AP). — Scotland Yard hunted today for a large brown suitcase containing atomic secrets which reportedly was stolen from an American scientist aboard a train yesterday.

The British press said the suitcase contained a "leaf" case which was filled with atomic information. The owner of the case was variously reported to be an American named Frank Greenleaf, F.W. Greenleaf and Frank Miller Greenleaf. "We have never heard of him," said a spokesman of the American Embassy.

"We are trying to find out what it's all about ourselves."

The reports said the suitcase was taken from a first class compartment on the London to Blackpool train. The owner stepped out of the compartment for a few minutes. When he returned the suitcase was gone. At first, he said the suitcase contained only clothing. Later he remembered it also contained the briefcase of atomic information.

At the Ministry of Supply, which heads up Britain's atomic energy programme, a spokesman declined all information saying, "If somebody lost some atomic information of yours, you certainly would not get anything that might help someone else find it, would you?"

Later, another press report identified the scientist as Greenleaf and said he worked for the Supply Ministry's atomic energy research establishment at Risley.

Manager Resigns From USA Atomic Commission

WASHINGTON, Wednesday (Reuters). — Mr. Carroll Wilson resigned yesterday as General Manager of America's Atomic Energy Commission saying he "lacked the proper degree of confidence" in the Commission's new chairman, Mr. Gordon Dean.

Mr. Wilson said the Commission's more direct role in the management of the country's atomic programme would, he feared, result in a "cumbersome slow moving administrative machine."

He will be succeeded by his deputy, Mr. Carleton Beals.

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By MICHAEL DAVIDSON, Cabled to The Jerusalem Post

TOKYO, Wednesday. — Communist speed, timing, and tactical adroitness brought them today within 14 kms. or less west of Pohang, the east coast port where the American 1st Cavalry Division landed on July 18.

The force was officially estimated at brigade strength, but whether it consisted of regulars or guerrillas is not clear. It appears to have come down through the hills from the north and the west and may by now be threatening to cut off Pohang from Taegu, which is about 55 kms to the west.

This move could obviously be disastrous if left to develop, but details are lacking and the position is obscure.

On the rest of the front there has been little change in the last 24 hours. The American attack in the south is almost at a standstill, though the northern prong has advanced about two and a half miles since Monday morning.

Bridgehead Remains

But a large Communist bridgehead southwest of Changgyong apparently remains — strengthened to a garrison numbering some 4,000 men after American aircraft had opened a gap in its own lines by mistaking American defenders for North Koreans.

Waegwan, the gateway to Taegu, however, will still be a main point in the Communist attack.

But perhaps the greatest threat to Taegu remains the North Korean drive in divisional strength with tanks which developed yesterday from points nearly 45 kms. north of Taegu. This advance was today unofficially reported to have reached within 9 kms. of Kunwi, 30 kms. from Taegu. (GPN)

NEHRU HINTS HE MAY RESIGN SOON

NEW DELHI, Wednesday (UP). — Premier Pandit Nehru hinted today that he might resign as head of the Indian Government.

Replying to strong criticism of plans for his pact with Pakistan's Premier Liaquat Ali Khan on the minorities problem in East and West Bengal, Pandit Nehru revealed that he had also considered resigning last March.

"I don't know whether now it is right for me to hold on to this office," he told the All-Indian Congress. "If I could serve my country better, I would not hesitate to adopt a different course."

Parliament Uproar Over Leopold Issue

BRUSSELS, Wednesday (UP). — Friends and foes of King Leopold traded angry shouts of "Murderer" and "Assassin" today in the Belgian Parliament as debate on the bill to transfer the King's powers to his son as the first step toward abdication.

Catholic Deputy Henri Lambert touched off the parliamentary uproar when he turned to the Socialist benches and said: "You agitators are responsible for the deaths of four people." It was a reference to the four who died during the anti-Leopold demonstrations.

When Mr. Lambert made his charge the Socialists rose enraged and began shouting "Murderer" at the Catholics. The day lasted until President Frans Van Cauwenberg of the Chamber shouted: "If this noise is not stopped immediately, I will leave the Chamber and resign."

ARABS ON IMMIGRANTS

The Near East Arab Broadcasting Station reported yesterday that Syrian Premier Nassef al Kudda declared that he understood Egypt to be in favour of forbidding the immigration to Israel of Jews from the Arab States. Other Arab States, too, were known to be opposed to this policy, he added, on the grounds that it would jeopardize the eventual return to their homes of the Arab refugees.

